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October 10, 2006

Sheila C. Bair
Chairwoman, Board of Directors
c/o Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Re: FDIC request for Public Comment on Wide-Ranging Issues Involving Industrial Loan Company Charters as provided in August 17, 2006 press release and Federal Register 6714-01-P.

Dear Chairwoman Bair,

The Utah Community Reinvestment Corporation (UCRC) is a Utah non-profit organization committed to providing specialized credit products and technical assistance to developers/owners of affordable housing and community development projects. We have been providing these services since our inception in March of 1999. Recently, we have commenced expanding our activity to neighboring states that otherwise have very limited access to credit that fits their housing and development needs. UCRC is essentially a lending consortium reliant upon capital from our member banking institutions. Our membership is limited to FDIC insured financial institution - industrial banks and commercial banks, and thrifts.

I have been made aware that the FDIC is inquiring whether "statutory, regulatory, or policy changes should be made in the FDIC's oversight of ILCs in order to protect... important Congressional objectives." As you are aware, the United States Congress has maintained a specific and consistent policy that lending and financial institutions should be supportive of the community where they conduct operations. This is clearly articulated in the requirements of the Community Reinvestment Act.

Our company was created by a joint effort of the Utah commercial and industrial bank communities working together to assess the unmet credit needs of our state and then developing a vehicle to meet those needs. While the original UCRC loan pool was funded at approximately 50/50 between the industrial and non-industrial banks the loan pool is currently over 70% funded by industrial banks or federal savings banks established by holding companies in common with a member industrial bank. Industrial bank representatives hold four of nine credit committee positions and five of fifteen trustee positions. Their work on behalf of the UCRC demonstrates a commitment to

employing banking principals in the work envisioned under the Community Reinvestment Act. Industrial banks have demonstrated careful attention to sound underwriting yet have been willing to reduce their return on investment when needed to achieve the desired objectives – creating credit delivery that makes a difference. The UCRC is an example of the benefits Utah (and soon surrounding states) receives from the cooperative relationship between the industrial bank and commercial bank communities.

The industrial bank industry has benefited many aspects of the Utah community through the creation of highly skilled and well compensated employment opportunities (in some cases pushing the local commercial banks to improve their compensation packages), access to significantly greater amounts of funding for CRA related activities, and more personnel dedicated to assisting communities in developing projects and securing appropriate financial assistance.

Industrial banks have been beneficial to many other sectors of our national economy as their financial structure enables more affordable credit in their various specialized lending/banking activities – from financing taxi medallions to commercial trucks to pre-purchases of postage stamps – causing each respective sector to realize savings to the end borrower/user.

I have generally been positively impressed with the business activity of industrial banks and specifically with their efforts to achieve outstanding results in their Community Reinvestment Act activity.

We understand that the FDIC is faced with various opinions regarding industrial banks. My organization has had extensive positive experience with these financial institutions. I offer my comments to impress upon you the positive impact that these financial institutions have made to my community.

Thank you for the opportunity for allowing us to participate in your information gathering activity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven L. Graham', with a long horizontal flourish extending to the right.

Steven L. Graham, President
Utah Community Reinvestment Corporation